

**LITTLE HOOVER COMMISSION
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TESTIMONY OF

**CHARLENE CHASE
DIRECTOR**

SANTA BARBARA COUNTY DEPARTMENT OF SOCIAL SERVICES

Thank you for the opportunity to address the Little Hoover Commission on the critical issue of the role of the counties in promoting reforms in California's foster care system. In response to the three questions you posed, I am sharing my perspective on the role of the State, the counties and the Little Hoover Commission and public in addressing the needs of the children and families served in the foster care system.

I will start with just a brief summary of my experience and involvement in Child Welfare Services. I am currently the Vice President of Services for the County Welfare Directors Association (CWDA), have chaired the CWDA Children's Committee, and previously served as President of CWDA. I am completing a second term as Co-Chair of the Child Welfare League of America's Western Regional Steering Committee. I am a member of the State Child Welfare Stakeholders Group and have been a part of that process since its inception.

In Santa Barbara County, we have worked for the last decade building a strong, collaborative system of services for families and children in partnership with Social Services, Alcohol/Drug, Mental Health, Probation, and Public Health and Community Based Organizations. In 1993, we received a seven-year federal Mental Health grant of \$14 million to be a demonstration site and develop our current integrated interagency system of services to children and families. Our first priority is to provide community-based, family centered services to keep at-risk children with their families whenever possible and, when placement is necessary, to keep children in their own communities where possible. We are one of the eight counties implementing the Annie B. Casey Foundation Family to Family Initiative and we have been working with the Stuart Foundation to improve the integration of CWS and CalWORKs.

What should be the role of the State in promoting reform and maintaining a world-class foster care system in all counties?

In order to reform and maintain a highly effective foster care system, both the State and counties have roles that complement each other. In our State-supervised, county-administered CWS system, the State controls the foster care rate-setting system, the licensing of out-of-home facilities, the licensing and certification requirements for foster family homes and relatives, and the allocation of federal and state funding for the system. The CWS Stakeholders group has identified all of these as issues which must be addressed as a part of redesigning CWS in California. Another area that is important to reforming foster care is evaluating local innovations

in order to bring them statewide. The necessary leadership to reform the foster care system rests with the State, with support from the Legislature and in partnership with the counties.

Reform of the CWS system is a huge undertaking and will take several years to implement. The problem is that we are currently in a placement crisis in California. Every day we are faced with shrinking foster placement resources and fewer foster families. The current foster placement structure not only has insufficient foster placement resources, but also lacks vital programs to meet the needs of many of the most disturbed children and youth requiring out-of-home placement. A good example of this lack of treatment programs for seriously disturbed children is in the area of Community Treatment Facilities (CTFs). The authority for these facilities was established by SB222 in 1993. The need for such treatment was assessed at that time at 400 beds. Today, nearly a decade later, there are only three CTFs in the entire state. These facilities are designed to provide care for our most disturbed children--those who don't need acute care, but have very serious problems. This is the population of children that the existing high-level group homes are increasingly sending back to county CWS as too disruptive to keep in their facilities. It can take weeks--sometimes more than a month--to find foster placements that will accept and keep our foster children and youth with serious problems. Clearly, the current and projected future budget problems at both the State and county levels are reducing resources to an already under-funded and highly stressed system.

I support continued planning for implementation of CWS redesign this year and the AB636 planning that will improve the way in which program outcomes are reviewed by the state. However, to deal with the current placement crisis we need a parallel process to address reforming the foster care rate structure, the licensing and program/treatment needs of our foster care children and youth in placement, and the licensing of foster family homes. This process requires State leadership in partnership with the counties and the provider agencies. In fairness to the State, it will also require support from the Legislature and bodies such as the Little Hoover Commission, which can provide both political support and educate the public to build value for our foster care services. The resources needed to both support the review and revision process and to subsequently implement what could be significant system changes will require an investment at both the State and local levels.

Funding is the other critical issue that must be addressed. Flexibility in funding can be achieved partially at the State level, but federal approval is necessary in order to truly increase our ability to use funds flexibly and effectively. An example of increasing funding flexibility would be to reduce the number of small specialized funding streams (there are at least eight CWS-specific allocations) and provide a single CWS allocation (similar to the CalWORKs single allocation). As counties encompass many diverse local political and economic entities, there is wide variation across the counties in terms of resources to support foster care reform. Some counties have both the financial resources and political support to provide a higher level of local CWS funding; some have the political support but not sufficient local resources. Some counties have aggressively pursued maximization, "leveraging" every local expenditure legally available in order to bring in federal funds over and above those in the State allocation. For example, as a part of our interagency system of children's services, Santa Barbara Social Services has engaged

a national expert in revenue maximization who has helped us to better leverage federal funds for Social Services, Probation and Alcohol/Drug Mental Health and some of our community-based partners. That is how we are sustaining the best practices developed with our time-limited federal grant. It is a constant uphill battle to patch together the funding for our local practice innovations. Our common goal across agencies is better outcomes for our children, youth and families. Again, this is an illustration of what can be done, but unfortunately it is not being done on a state-wide basis (note: A Flexible Funding Committee of the State CWS Stakeholders Group produced a report on this topic in Spring of 2001 with recommendations for a statewide federal revenue maximization effort to benefit California's children and families. That report, in draft form, is filed with the State Department of Social Services).

In summary, those foster care issues that must have leadership from the State to resolve are:

- The foster care rate-setting system
- Licensing regulations for group homes
- Licensing regulations for foster families
- Certification regulations for relatives
- CWS funding flexibility and revenue maximization
- Funding the SB2030 workload study while implementing the CWS Redesign
- Working with the Federal oversight agencies for waivers/changes
- Develop and fund evaluations of existing local innovations for use statewide

What should the role of the counties be to reform the foster care system?

Counties have been engaged in identifying and implementing family centered and community-based Best Practice models for more than a decade. These reforms are at the “front end” of the foster care system and provide services to prevent or shorten out-of-home care. These are the areas that counties can impact most directly as state and federal statutes and regulations allow for the most flexibility in the area of practice. Because counties are so diverse in our economic and political bases, many models for reforming parts of the CWS system already exist across California. Some have been able to use additional local funding and others have sought complete federal, foundation and state grants to support reforms in various parts of the CWS and foster care system. The bulk of the reforms at the local level are focused on various approaches of providing CWS services that include the family as partners in developing and implementing case plans for children and youth. These reforms build on increased and enhanced public-private partnerships and collaborative services delivery across local Social Services, Alcohol/Drug Mental Health, Probation and Public Health departments. In August, your Commission received an excellent example of one recent inventory of local innovations in CWS in the “Promising Bay Area Practices for the Redesign of Child Welfare”. The CWDA Children's Committee is in the process of compiling the same inventory from throughout the State. All of these local innovations are, by necessity, focused on providing family centered, community-based services to keep children in their families and communities whenever possible.

These are the areas that have the greatest local flexibility and counties are engaged in patching together the resources to develop and implement these types of models.

It is when counties try to “bring these innovations to scale” within our communities that the issue of inadequate statewide attention and funding becomes a barrier. The current CWS funding structure doesn’t provide adequate funding for family based services but will pay the cost of out-of-home placement. As a result, it is a constant uphill battle, county by county, to find funding for early intervention and prevention services provided in our local innovative models. While unintended, the current system incentivizes placement at the expense of family centered services that are themselves designed to *avoid* placements whenever possible simply because the former is funded, the latter is not. Counties need resources, support and leadership from the State in evaluating the many models of current county CWS Best Practices and support in bringing these practices to statewide scale. Bringing existing local models statewide requires funding and technical support from the State, including the Legislature.

The part of the CWS system the counties are least able to reform is the foster care system. The issues of foster care rates, licensing of foster care group homes and Foster Family Agencies, and the regulations for licensing foster families are all controlled by the State. There are efforts underway in many counties to identify the needs of our high-end children and youth. We are faced with our highest-level group homes sending back the most difficult foster children and youth to counties, which do not have the local resources for placement of these children. Counties have identified a range of possible ways to approach developing resources for foster placements. One example is the development of a rate structure that addresses specific needs of children and youth and would follow the child instead of being attached to an institution. Other ideas include enhanced support for specialized foster parents with strong mental health support services for seriously disturbed children and developing a payment rate structure that truly enables one foster parent in a family to remain at home, rather than working outside the home, to provide intensive parenting and attention to high-needs foster youth.

Other discussions taking place at the local level revolve around the problem that foster care rates don’t recognize the huge variance in the cost of living across counties. This has resulted in a disproportionate number of foster facilities in counties such as Shasta and San Bernardino where land costs are more reasonable. It also prohibits counties such as Santa Barbara from developing our own foster placement resources, forcing us instead to place the majority of our most disturbed children in other counties. Most urban counties with high land and housing costs have this same experience. Counties have ideas on how to solve some of the problems that have been identified. But to develop models and begin demonstrating and evaluating some of these reforms requires waivers, changes in the rate-setting structure and changes to various licensing requirements under State oversight. It also requires resources to develop, plan, implement and then evaluate such pilot programs as the basis for full foster care system reform.

In summary the issues the counties must address to reform the foster care system are:

- Developing models of CWS best practices
- Developing and maintaining collaborative public and private partnerships
- Seeking support for evaluations of local CWS innovations
- Building value in community for kids and families and CWS services
- Identifying the needs of our foster children and youth so treatment programs can be developed
- Coordinate with a State leader to get successful locally developed programs and services embraced as elements of a State-wide strategy

As you can see, the leadership roles of the State and counties must complement each other. In order to achieve real reform of the foster care system it takes strong leadership from State agencies, the Legislature, counties and the community. Last year, CWDA worked with our partner, the Ohio-based National Network for Child Safety, to conduct public focus groups to determine the public perception of CWS in California. It became clear that there is public support for protecting children but the public knows little about what the “foster care system” really does. It was a pleasant surprise to learn that the public supports the goals that CWS workers be paid adequately, have low enough caseloads to spend time with children and their families and be well trained. That is a good foundation to build value for our foster children and all who work with them. It will take much work on the part of both the State and counties to build enough value to support investing the resources that are necessary to reform CWS system.

What role can the Little Hoover Commission play in reforming the foster care system?

The Little Hoover Commission can and should play a major role in the reform process—indeed, it already has. The Commission can help educate both the State and local elected officials who make critical funding and policy decisions about CWS. It is also vital to educate the general public about why it’s important to everyone in the community that we achieve better outcomes for children, youth and families. Numerous studies have shown the long-term costs to all of us when children leave their families without strong planning and services to support them in becoming self-sufficient adults. Our children, their families and all of us who are working with them need all the support we can get. The problems are complex, and there are no easy answers. We cannot reform the foster care system without everyone stepping up to their leadership role.

The answer isn’t in looking for someone to blame. There are many great models in place in various counties, but sustaining them is a challenge with a slippery slope. There is also a good deal of experience locally in implementing collaborative systems that provide family centered, community-based services for children and families. The impact of the current serious underfunding of the CWS system cannot be underestimated. Efforts to make the fundamental changes discussed here will be controversial, and both the State and counties will need strong public support. Based on your Commission’s experience, it is clear that reforming foster care takes all of us committed to a broad-based process that seeks and values input from all with an interest.

This isn't about someone being right or wrong. It is, and must be, about getting better outcomes for children and youth and their families. Counties are already redirecting, integrating and maximizing all current funding and community services and it's still not enough to enable us to bring foster care reform to scale. Our foster children and their families can't wait for full system redesign; we must address the needs of our children now---it must be our top priority, and by that I mean the State of California---top priority for their sake and ours.

I hope this information has been helpful to you in your quest to support foster care reform. Thank you again for the opportunity to testify here today.



Ten Great Things About Child Welfare Services in Santa Barbara County

1. In 1999, the ratio of children entering foster care to the total child population for Santa Barbara County is approximately half the statewide average. (SB = 1.72 per thousand children vs. the state = 3.47 per thousand children). This is true in spite of the fact that Santa Barbara County's overall poverty rate has closely tracked the California State poverty rate.
2. In 1999, 55% of children who entered Santa Barbara County Child Welfare Services were placed in single-family foster homes rather than group homes or Foster Family Agency homes (FFA). This is compared to 30% for the State.
3. For the period of 1993 to 1999, children placed in out-of-home care by Santa Barbara County Child Welfare Services stayed approximately 61% shorter periods of time than the average for the state (8 months for Santa Barbara vs. 13 months for the state).
4. For the period of 1993 to 1999, the median length of stay for children placed in group homes by Santa Barbara County was nearly half the statewide average (6 months for Santa Barbara vs. 11 months for the state average).
5. The 1998, the chances of being adopted rather than remaining in foster care were 5 times higher in Santa Barbara County than the statewide averages (3.2 % of exits from care vs. 0.6% state).
6. In 1998 the percentage of children reunifying with their birth family within 12 months after entry was 37%. This percentage was 10% above statewide average for the same time interval.
7. Over the past 5 years, Santa Barbara County has reduced the proportion of children in the child welfare system entering group homes from 25% of all entries to less than 8%.
8. In 1999, the percentage of children placed out of the home who were placed in a Foster Family Agency (FFA) is significantly below statewide averages (11.4% for Santa Barbara County vs. 18% for the State of California).
9. Santa Barbara County foster care caseloads have remained relatively stable in terms of absolute numbers despite increases in the number of children in poor families. Baseline data for children in foster care as of January 1, 2001 is 389 children.
10. Current program efforts to recruit foster parents have yielded a 26% increase in the number of available foster homes over a three-year period.